LABOR SITUATION
Office of Research
Kurt Westby, Commissioner

FOR IMMEDIATE RELEASE
January 2020 Data
CT Unemployment Rate = 3.7%
US Unemployment Rate = 3.6%

Nonfarm jobs grow by 2,600 in January; Unemployment rate at 3.7%

WETHERSFIELD, March 13, 2020 – Preliminary Connecticut nonfarm job estimates from the business payroll survey administered by the US Bureau of Labor Statistics (BLS) show the state gained 2,600 net jobs (0.2%) in January 2020, to a level of 1,696,100 seasonally adjusted. Over the year, nonagricultural employment in the state grew by 7,800 (0.5%) seasonally adjusted. The December 2019 originally-released job gain of 100 was revised up to a gain of 1,000, albeit at a lower level due to the annual benchmark revision process conducted by the Bureau of Labor Statistics, (see last page of press release). The number of the state's unemployed residents was estimated at 72,300, seasonally adjusted, unchanged from the revised December 2019 level. As a result, Connecticut's January unemployment rate is at 3.7%, seasonally adjusted, down one-tenth of a percent from the revised December level. Resident employment estimates include the self-employed and residents working out of state and are determined separately from the nonfarm payroll job estimates above. None of the movements in payroll job estimates are considered statistically significant.

"January's payroll job numbers are a good start to the year with a seasonally adjusted increase of 2,600 jobs over December 2019," said Andy Condon, Director of the Office of Research at the Connecticut Department of Labor. "However, the annual benchmark revision process conducted by the Bureau of Labor Statistics reduced Connecticut's 2019 payroll job estimates by six-tenths of a percent, turning a preliminary 7,400 average job gain in 2019 to a 3,300 loss."

Nonfarm Jobs Detail (business establishment survey)

Private sector employment grew by 2,500 (0.2%) to 1,459,600 jobs over the month in January, and are now up by 8,800 (0.6%) seasonally-adjusted jobs over January 2019. The **government** *supersector* rose slightly by 100 jobs in January to a total of 236,500, but remains down 1,000 jobs (-0.4%) over the year. The **government** *supersector* includes all federal, state and local employment, including public higher education and Native American casino employment located on tribal land.

Six of the ten major industry supersectors gained employment in January, and four declined. The **trade, transportation & utilities** *supersector* (1.1%, 296,100) led gains, adding 3,200 net new jobs. **Education and health services** (0.1%, 342,900) was next with 300 new positions. The **government** (0.04%, 236,500), **professional & business services** (0.04%, 223,200), **manufacturing** (0.1%, 161,300) and **leisure & hospitality** (0.1%, 156,000) *supersectors* each contributed 100 new jobs.

Construction and mining led declines in January, dropping 600 positions (-1.0%, 60,400) over the month. The **financial activities** *supersector* (-0.2%, 123,900) was next, shedding 300 positions. The **information** (-0.6%, 31,400) and **other services** (-0.3%, 64,400) *supersectors* each declined by 200 jobs.

Post benchmark, Connecticut has now recovered 82.9% (99,400 jobs) of the 119,900 seasonally adjusted jobs lost in the "Great Recession" (3/08-1/10). The job recovery is now into its 119th month and the state needs an additional 20,500 net new jobs to reach an overall nonfarm employment expansion. The state's private sector remains fully recovered at **102.0%** (114,200) of the 112,000 private sector jobs lost in that same employment downturn.

Connecticut Labor Market Areas (LMAs): All six *LMAs* seasonally adjusted by the Bureau of Labor Statistics saw job increases in January 2020. The ***Bridgeport–Stamford–Norwalk LMA*** (0.4%, 408,700) saw an increase of 1,500 net positions, while the ***Hartford LMA*** (0.2%, 587,200) gained 1,300 and the ***Norwich-New London-Westerly RI LMA*** (0.9%, 130,400) grew by 1,100. The ***New Haven LMA*** (0.2%, 291,600) grew by 600, while the ***Waterbury LMA*** (0.6%, 68,700) picked up 400 new jobs. Finally, the ***Danbury LMA*** (0.1%, 77,700) saw a small increase of 100 positions.

Note: The six major Connecticut LMAs are estimated independently from the statewide data by the BLS and cover more than 90% of the nonfarm employment in the state. Thus, estimates will not fully sum to the statewide total.

Hours and Earnings: The **private sector** workweek, not seasonally adjusted, averaged 33.6 hours in January 2020, up two-tenths of an hour from the same month a year ago. Average hourly earnings at $33.46, not seasonally adjusted, were up $0.09 (0.3%) from the January 2019 estimate ($33.37). The resultant average private sector weekly pay amounted to $1,124.26, up $9.70 from a year ago (0.9%). The 12-month percentage change in the Consumer Price Index for All Urban Consumers (CPI-U, U.S. City Average, not seasonally adjusted) in January 2020 was 2.5%. Information for the manufacturing production workweek and earnings can be found in the table section of this release under the "Hours and Earnings" data category. *Current all-employee private sector hours and earnings estimates can be volatile due to fluctuating sample responses.*

Labor Force Data (residential household survey)

The January 2020 unemployment rate for Connecticut is estimated at **3.7%** (seasonally adjusted), down one-tenth of a point from the revised December 2019 figure and down one-tenth of a percentage point from a year ago when it was 3.8%. The US jobless rate in January 2020 was 3.6%, down four-tenths from January 2019.

Based on the Local Area Unemployment Statistics model (LAUS - a statistical model using the CPS – Current Population Survey residential data), the number of Connecticut unemployed residents, seasonally adjusted, was unchanged from December at 72,300. Over the year, the number of the state's jobless residents declined by 300 (-0.4%). The state's labor force an estimated 3,100 over the month at 1,929,400, and is up over the year by 22,600. Though Connecticut's working-age population growth remains very slow, extremely low unemployment rates appear to be attracting potential workers back into the labor force.

January 2020 seasonally adjusted average weekly initial unemployment claims for first-time filers in Connecticut was 2,854, down from December by 1,292 claims and down by 330 claims (-10.4%) from the January 2019 level of 3,184.

The nonfarm employment estimate, derived from a survey of businesses, is a measure of jobs in the state; the unemployment rate and labor force estimates are based on a household survey, and measure the work status of people who live in Connecticut. Overall, as the national and state economies recover, volatility in monthly numbers can be expected. ***Job and employment estimates are best understood in the context of their movement over several months rather than observed changes in a single month's value.***

Next Connecticut Labor Situation release: Thursday, March 26, 2020 (February 2020 data)

Contact: Communications Office   (860) 263-6535   03-13-20

Labor Market Information is available at: www1.ctdol.state.ct.us/lmi
200 Folly Brook Boulevard, Wethersfield, CT 06109-1114 www.ct.gov/dol
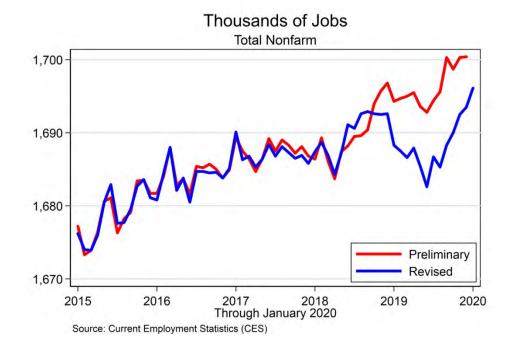*An Equal Opportunity/Affirmative Action Employer*

2019 Current Employment Statistics (CES) Benchmark Revision of Connecticut Payroll Jobs

Annually the Bureau of Labor Statistics (BLS) revises the monthly payroll job survey (CES) by replacing the sample data with complete administrative records from all Connecticut employers via the Quarterly Census of Employment and Wages (QCEW). This procedure is done through September 2019. The last three months of the year are re-estimated using all available sample data.

Before the revision the CES reported 7,400 average annual job growth not seasonally adjusted (nsa) basis. *After the revision, Connecticut showed a 3,300 nsa job loss*. This 10,700 job swing amounts to a -0.6% revision on the 2018 total of 1,689,000 payroll jobs. While this is well within the BLS quality standards, the job growth perception in the state changes from slow job growth to a slight job loss for the year. *It should be noted that the original 7,400 job gain was not statistically significant or different from zero job growth at a 95% level of confidence.*

Why did this happen?

- *In a very low unemployment rate environment (3.7% avg. in 2020) it is difficult to grow jobs.* Our neighbors in Massachusetts and New York are both showing slower job growth albeit at a higher level than CT. Very low unemployment rates mean that almost everyone actively looking for work has found a job.

- *The US benchmark revision was -0.5%, essentially the same as Connecticut*. This is a coincidence, but it demonstrates that the benchmark revision is not unusual in size.

- *Low to zero population growth in Connecticut contributes to the low unemployment rate and limits growth of the labor force.* This, in turn, further limits job growth potential.

- *There is some indication that the structure of employment may be changing in Connecticut.* Connecticut unemployment statistics indicate that *residential employment* increased in Connecticut by approximately 18,500 jobs (1.0%) in 2019. Residential employment includes Connecticut residents commuting to other states and the self-employed whereas CES only counts payroll jobs located in-state (regardless of residence). Census data indicates that out-of-state commuting patterns and self-employment have increased over the past several years.

- *Industry Sectors most affected by downward revisions:* Construction, Retail trade, Information, Finance & Insurance, Education, and Leisure & Hospitality.

- *Industry sectors most affected by upward revisions:* Wholesale trade, Manufacturing, Local Government (includes Native American enterprises).

- *It should be noted that every benchmark revision conducted by BLS has been downward for the past six years.* This is unusual and suggests that the BLS CES program is somewhat overestimating employment in Connecticut.

Preliminary and 2020 Benchmark Total Nonfarm Jobs Estimates
(Seasonally Adjusted)

Thousands of Jobs
Total Nonfarm

Through January 2020

Source: Current Employment Statistics (CES)

CONNECTICUT AND THE UNITED STATES - *Seasonally Adjusted*

	January 2020 P	December 2019 R	November 2019	October 2019	January 2019	Over Month Change	Over Month Rate	Over Year Change	Over Year Rate
CONNECTICUT	**1,696,100**	**1,693,500**	**1,692,500**	**1,690,000**	**1,688,300**	**2,600**	**0.2%**	**7,800**	**0.5%**
Total Private	**1,459,600**	**1,457,100**	**1,455,600**	**1,453,200**	**1,450,800**	**2,500**	**0.2%**	**8,800**	**0.6%**
Goods Producing Industries									
Mining	600	500	500	500	600	100	20.0%	0	0.0%
Construction	59,800	60,500	60,000	60,100	60,000	-700	-1.2%	-200	-0.3%
Manufacturing	161,300	161,200	162,300	161,800	161,800	100	0.1%	-500	-0.3%
Durable Goods	126,700	126,600	127,600	127,200	127,300	100	0.1%	-600	-0.5%
Nondurable Goods	34,600	34,600	34,700	34,600	34,500	0	0.0%	100	0.3%
Service Providing Industries									
Trade, Transportation & Utilities	296,100	292,900	293,100	292,500	293,700	3,200	1.1%	2,400	0.8%
Wholesale	58,800	59,000	59,100	59,300	59,900	-200	-0.3%	-1,100	-1.8%
Retail	174,700	172,200	173,100	173,700	178,400	2,500	1.5%	-3,700	-2.1%
Transp, Warehousing & Utilities	62,600	61,700	60,900	59,500	55,400	900	1.5%	7,200	13.0%
Information	31,400	31,600	31,200	31,700	31,400	-200	-0.6%	0	0.0%
Financial Activities	123,900	124,200	123,500	123,500	124,100	-300	-0.2%	-200	-0.2%
Finance & Insurance	103,000	103,600	103,100	103,300	104,200	-600	-0.6%	-1,200	-1.2%
Real Estate, Rental & Leasing	20,900	20,600	20,400	20,200	19,900	300	1.5%	1,000	5.0%
Professional & Business Services	223,200	223,100	221,700	220,100	218,000	100	0.0%	5,200	2.4%
Prof, Scientific & Tech Services	96,600	97,400	96,900	96,600	95,700	-800	-0.8%	900	0.9%
Management of Companies	33,900	33,800	33,600	33,200	33,000	100	0.3%	900	2.7%
Admn & Support & Waste Mgt Serv	92,700	91,900	91,200	90,300	89,300	800	0.9%	3,400	3.8%
Educational & Health Services	342,900	342,600	341,900	341,000	337,300	300	0.1%	5,600	1.7%
Educational Services	69,500	68,000	68,200	67,700	65,900	1,500	2.2%	3,600	5.5%
Health Care & Social Assistance	273,400	274,600	273,700	273,300	271,400	-1,200	-0.4%	2,000	0.7%
Leisure and Hospitality	156,000	155,900	157,300	158,000	158,400	100	0.1%	-2,400	-1.5%
Arts, Entertainment & Recreation	27,900	27,700	28,300	28,600	28,800	200	0.7%	-900	-3.1%
Accommodation & Food Services	128,100	128,200	129,000	129,400	129,600	-100	-0.1%	-1,500	-1.2%
Other Services	64,400	64,600	64,100	64,000	65,500	-200	-0.3%	-1,100	-1.7%
Government**	236,500	236,400	236,900	236,800	237,500	100	0.0%	-1,000	-0.4%
UNITED STATES	152,186,000	151,961,000	151,814,000	151,553,000	150,134,000	225,000	0.1%	2,052,000	1.4%

LABOR MARKET AREAS (LMA)

Labor Market Area employment estimates are made independently of Statewide estimates.

Seasonally Adjusted data	January 2020 P	December 2019 R	November 2019	October 2019	January 2019	Over Month Change	Over Month Rate	Over Year Change	Over Year Rate
Bridgeport-Stamford-Norwalk	408,700	407,200	405,800	405,600	406,300	1,500	0.4%	2,400	0.6%
Danbury	77,700	77,600	77,600	77,800	78,000	100	0.1%	-300	-0.4%
Hartford	587,200	585,900	585,400	584,600	583,200	1,300	0.2%	4,000	0.7%
New Haven	291,600	291,000	290,500	290,500	286,700	600	0.2%	4,900	1.7%
Norwich-New London-Westerly, RI	130,400	129,300	129,200	128,900	129,500	1,100	0.9%	900	0.7%
Waterbury	68,700	68,300	68,200	68,100	68,600	400	0.6%	100	0.1%
Not Seasonally Adjusted data (Non-Classified Areas, State estimated not BLS)									
Enfield	43,900	45,000	44,900	44,500	44,200	-1,100	-2.4%	-300	-0.7%
Torrington-Northwest	32,200	33,200	33,100	33,400	32,000	-1,000	-3.0%	200	0.6%
Danielson-Northeast	27,200	27,600	27,500	27,600	26,900	-400	-1.4%	300	1.1%

* Less than 0.05%   ** Includes Native American tribal government employment   P = Preliminary   R = Revised

Starting with March, 2011, our monthly statewide and major LMA nonfarm job estimates have been taken over by the US Department of Labor Bureau of Labor Statistics. This is the final phase of transition in this program, which began in 2008. As a result of changes in the estimation procedures, you are likely to see more variability in month-to-month estimates of job counts. Caution should be used in interpreting any single month's estimate. The data are best interpreted to identify trends and cycles over several months and quarters. If you have any questions about these changes, please email us at: dol.lmi@ct.gov. Danbury and Waterbury LMA's are now back to being seasonally adjusted .
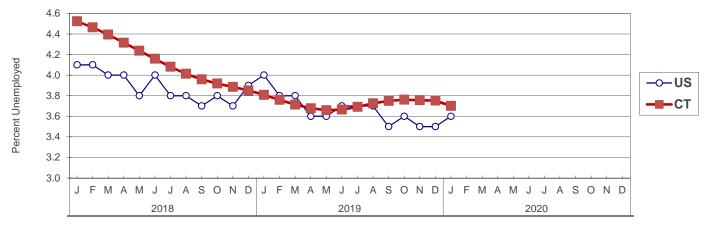
UNEMPLOYMENT
Persons Unemployed - by Place of Residence

CONNECTICUT AND THE UNITED STATES - *Seasonally Adjusted*

	Jan 2020 P Number	Rate	Jan 2019 R Number	Rate	Change Number	Points	Dec 2019 R Number	Rate
CONNECTICUT								
Unemployed	72,300	3.7	72,600	3.8	-300	-0.1	72,300	3.8
Labor Force	1,929,400		1,906,800		22,600		1,926,300	
UNITED STATES								
Unemployed	5,892,000	3.6	6,516,000	4.0	-624,000	-0.4	5,753,000	3.5
Labor Force	164,606,000		163,142,000		1,464,000		164,556,000	

U.S. AND CONNECTICUT UNEMPLOYMENT RATES - *Seasonally Adjusted*
2018 - 2020

LABOR MARKET AREAS - *Not Seasonally Adjusted*

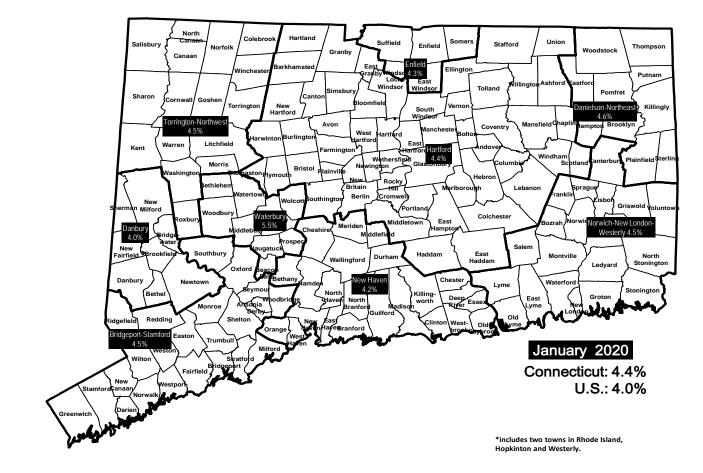|	Jan 2020 P Number	Rate	Jan 2019 R Number	Rate	Change Number	Points	Dec 2019 R Number	Rate
Bridgeport-Stamford	20,900	4.5	21,200	4.6	-300	-0.1	15,000	3.2
Danbury	4,300	4.0	4,300	4.1	0	-0.1	2,900	2.7
Danielson-Northeast*	2,000	4.6	2,100	4.9	-100	-0.3	1,500	3.3
Worcester NECTA	1,900	4.6	2,000	4.9	-100	-0.3	1,400	3.4
Hampton	100	3.9	100	4.4	0	-0.5	100	2.6
Enfield	2,100	4.3	2,300	4.6	-200	-0.3	1,600	3.2
Hartford	28,000	4.4	28,700	4.6	-700	-0.2	20,700	3.3
New Haven	14,000	4.2	14,400	4.4	-400	-0.2	10,100	3.0
Norwich-New London	6,400	4.5	6,500	4.6	-100	-0.1	4,500	3.2
Torrington-Northwest**	2,200	4.5	2,300	4.8	-100	-0.3	1,400	3.0
Torrington NECTA	1,400	5.1	1,400	5.4	0	-0.3	900	3.5
Litchfield	800	3.8	800	3.9	0	-0.1	500	2.3
Waterbury	6,200	5.5	6,200	5.6	0	-0.1	4,600	4.1
CONNECTICUT	85,400	4.4	87,300	4.6	-1,900	-0.2	61,800	3.2
UNITED STATES	6,504,000	4.0	7,140,000	4.4	-636,000	-0.4	5,503,000	3.4

P = Preliminary   R = Revised

Labor force data included in this publication are developed in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

* Worcester NECTA, CT part and Hampton LMA are combined   ** Torrington Micropolitan NECTA and Litchfield LMA are combined

UNEMPLOYMENT RATES
Not Seasonally Adjusted

LABOR MARKET AREAS

Enfield 4.3%

Danielson-Northeast* 4.6%

Torrington-Northwest 4.5%

Hartford 4.4%

Danbury 4.0%

Waterbury 5.5%

Norwich-New London-Westerly 4.5%

New Haven 4.2%

Bridgeport-Stamford 4.5%

January 2020
Connecticut: 4.4%
U.S.: 4.0%

*includes two towns in Rhode Island, Hopkinton and Westerly.

HOURS AND EARNINGS

CONNECTICUT Statewide - *Not Seasonally Adjusted*

	Average Weekly Earnings				Average Weekly Hours				Average Hourly Earnings			
	Jan. 2020 P	Jan. 2019	Change over Yr.	Dec. 2019 R	Jan. 2020 P	Jan. 2019	Change over Yr.	Dec. 2019 R	Jan. 2020 P	Jan. 2019	Change over Yr.	Dec. 2019 R
Private Industry All Employees	$1,124.26	$1,114.56	$9.70	$1,153.26	33.6	33.4	0.2	34.1	$33.46	$33.37	$0.09	$33.82
Manufacturing* Production Workers	$1,170.52	$1,173.85	-$3.33	$1,220.16	41.7	42.5	-0.8	43.1	$28.07	$27.62	$0.45	$28.31

* Production worker data have been impacted by the loss of a large, high-paying manufacturer from the monthly sample.

P = Preliminary   R = Revised

Hours and earnings are also developed for the state's major industry sectors and Labor Market Areas. They can be found on our website at: *www1.ctdol.state.ct.us/lmi*
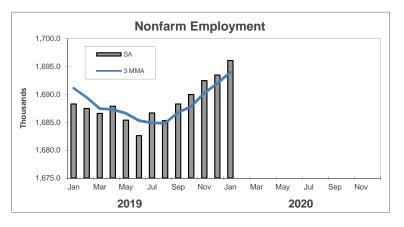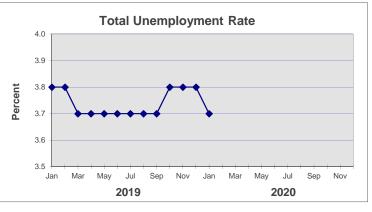
	Nonfarm Employment (000s)	Total Unemployment Rate
2019		
Jan	1,688.3	3.8
Feb	1,687.5	3.8
Mar	1,686.6	3.7
Apr	1,687.9	3.7
May	1,685.4	3.7
Jun	1,682.6	3.7
Jul	1,686.7	3.7
Aug	1,685.3	3.7
Sep	1,688.3	3.7
Oct	1,690.0	3.8
Nov	1,692.5	3.8
Dec	1,693.5 R	3.8 R
2020		
Jan	1,696.1 P	3.7 P
Feb		
Mar		
Apr		
May		
Jun		
Jul		
Aug		
Sep		
Oct		
Nov		
Dec		

Nonfarm Employment

Total Unemployment Rate

	Avg Weekly Initial Claims	All Employee Weekly Hours*
2019		
Jan	3,184	33.4
Feb	2,985	33.2
Mar	3,121	33.6
Apr	4,146	34.0
May	3,114	33.8
Jun	3,655	33.9
Jul	3,046	33.9
Aug	3,280	33.9
Sep	3,279	34.3
Oct	3,238	33.9
Nov	3,254	33.8
Dec	4,146	34.1 R
2020		
Jan	2,854	33.6 P
Feb		
Mar		
Apr		
May		
Jun		
Jul		
Aug		
Sep		
Oct		
Nov		
Dec		

Average Weekly Initial Claims

All Employee Weekly Hours

* Not seasonally adjusted   P = Preliminary   R = Revised   ** Labor-management dispute